

Equity Release Funding (No. 2) plc
Report for the immediately preceding interest period

20-Nov-03

Loans

£

Outstanding Balance of Loans at Closing Date 276,369,747

Outstanding Balance of Loans @ start of immediately preceding calculation period 286,395,081

Accrued Interest @ start of Calculation Period 42,894,166

Redemptions

Since Inception

Principal Balance of Loans redeemed in the immediately preceding Calculation 4,312,535 16,230,831

Principal Balance of Loans redeemed by cause:-

Death	1,011,180	3,977,745
Borrower enters Long Term Care	153,950	309,800
Voluntary Repayment	3,131,521	13,897,616
Move to Lower Value Property	15,884	135,240

Number of Loans redeemed in the immediately preceding Calculation period 148 475

Number of Loans redeemed by cause:-

Death	22	96
Borrower enters Long Term Care	5	6
Voluntary Repayment	118	419
Move to Lower Value Property	3	19

Redemption monies received 4,948,588 21,480,373.35

Equivalent Value Test this Calculation Period :-

PASS

S&P model this Calculation Period :-

PASS

Substitution

Substituted in the immediately preceding Calculation Period (O/S amount @ Closing 393,103

Substituted in the immediately preceding Calculation Period as a % of aggregate

Outstanding Balance of the Loans @ Closing Date 0.14%

Substituted to date as a % of aggregate Outstanding Balance of the Loans @ 0.41%

Early Amortisation Test

Aggregate Loan Amount (in respect of all Outstanding Loans, the Outstanding
Balance as at the Closing Date and in respect of substitute Loans, the Outstanding N/A as prior to Feb 05

Weighted Averaged GIC Rate N/A as prior to Feb 05

Outstanding Balance of Loans

Outstanding Accrued Interest 47,896,290

Outstanding Gross Balance 287,145,193

Outstanding number of loans 7,548

At Calculation date
for this report

Product Breakdown by Loan O/S

At Closing

FIRP %	2.7%	2.8%
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FCRP %	97.3%	97.2%
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Weighted Average Age of Borrowers @ Closing Date 72

Weighted Average Age of borrowers - at Calculation date for this Quarterly report 73

Age of Borrowers:-

Single Female 77

Single Male 76

Joint Borrowers by Age of Younger 72

Properties Sold / repayments (case by case):-

Time to Sale (where available - time from death/assessment to repayment) (Days)
 Initial Valuation
 Indexed Valuation (Initial Valuation + Hpi)
 Sale Price (where available)
 Gross Mortgage Outstandings
 Shortfall
 Loan Outstandings as a % of Sale Price
 Claim Submitted to No Negative Equity
 Claim Paid
 Claim O/S

N/A
N/A
N/A
N/A
N/A
N/A
N/A
N/A
N/A
N/A

For all Mortgages repaid to date:-**Weighted Average:-**

Time to Sale (where available - time from death/assessment to repayment) (Days)
 Sale Price as % of Indexed Valuation (Initial Valuation + Hpi) (where available)
 Shortfall as % of Mortgage Outstandings

202
N/A
N/A

Properties in Possession
 Repossessed
 Sold
 Number Carried Forward

-
-
-
-

Average Time from Possession to Sale
 Average Shortfall at Sale

N/A
N/A

Insurance

No Negative Equity Claims made total
 Claims Paid
 Claims O/S
 Claims not settled in full by number
 Claims not settled in full by amount of shortfall
 Average Time from Claim to Payment

-
-
-
-
-
N/A

Local Search Claims made (number)
 Claims Paid
 Claims O/S
 Claims not settled in full by number
 Claims not settled in full by amount of shortfall
 Average Time from Claim to Payment

-
-
-
-
-
N/A

Contingent Building Insurance claims made (number)
 Claims Paid
 Claims O/S
 Claims not settled in full by number
 Claims not settled in full by amount of shortfall
 Average Time from Claim to Payment

-
-
-
-
-
N/A

Average Loan Outstanding**Weighted Average LTV****Weighted Average Indexed LTV**

£38,043
30.8%
20.8%

Weighted Average Interest Rate

FIRP
 FCRP

8.30%
8.14%

LTV Levels Breakdown (based on original valuation using P+I at date of

0 - 29.99%
 30 - 34.99%
 35 - 39.99%
 40 - 44.99%
 45 - 49.99%
 50 - 54.99%
 55 - 59.99%
 60 - 64.99%

152,187,217
66,875,600
16,905,715
28,828,048
14,625,780
7,722,833
-
-

65 - 69.99%
70 - 74.99%
75 - 79.99%
80 - 84.99%
85 - 89.99%
90 - 94.99%
95 - 99.99%
100% +

-
-
-
-
-
-
-
-

LTV Levels Breakdown (based on HPI adjusted valuation @ Calculation

0 - 30%
30 - 35%
35 - 40%
40 - 45%
45 - 50%
50 - 55%
55 - 60%
60 - 65%
65 - 70%
70 - 75%
75 - 80%
80 - 85%
85 - 90%
90 - 95%
95 - 100%
100% +

264,126,191
17,195,422
5,624,548
168,945
-
30,087
-
-
-
-
-
-
-
-
-
-
-
-

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Liquidity Facility Ledger

Initial Balance
Last Calculation Period Closing Outstanding
Available @ next IPD
Amount to be drawn at next IPD

£0
£0
£70,000,000
£0

Liquidity Reserve Fund Ledger

Initial Balance on Closing
Outstanding as at the date of this Quarterly Report
Accrued Interest to immediately succeeding interest payment date

£25,000,000
£21,541,000
£183,382

Less Mortgage Registration Reserve

£150,000

Available Liquidity Reserve Fund
Amount to be drawn at next IPD
Closing balance

£21,574,382
£183,382
£21,541,000

Deficiency Ledger

Opening Balance
Losses this Quarter
Closing Balance

£348
£264
£612

Optional Guarantee Ledger

Opening Balance on Closing Date
Claims Submitted as at date of this Quarterly Report
Claims Paid as at date of this Quarterly Report
Claims Not recovered from NULAP this calculation period
Total Claims not recovered from NULAP as at date of this Quarterly Report

£500,000
£0
£0
£0
£0

CCA Reserve

£500,000

Surplus after payment of all payments due in the Waterfall (a) to (h)

£0

**Replenishment Amount as recorded in Replenishment Ledger
Years 2002 to 2026**

The greater of :-

10% of Principal Amount O/S of Class A Notes @ IPD (net of redemptions @ IPD)
and
the amount (if any) necessary to maintain the Required Ratio of
(a) the sum of the Aggregate Portfolio Amount and Adjusted Cash, and
(b) the Principal Amount Outstanding of the Class A Notes
(net of redemptions @ IPD)

N/A - A1 Notes O/S

Years 2027 to 2031

The greater of:-

10% of Principal Amount O/S of Class A Notes @ IPD (net of redemptions @ IPD),

aggregate of all scheduled payments of interest and principal on the Class A Notes payable on the 4 immediately succeeding IPD's, and

the amount (if any) necessary to maintain the Required Ratio of
(a) the sum of the Aggregate Portfolio Amount and Adjusted Cash, and
(b) the Principal Amount Outstanding of the Class A Notes
(net of redemptions @ IPD).

N/A

Voluntary Repayment Rate

3.87%

The "Voluntary Prepayments Rate" is the [annualised value of the ratio expressed as a percentage] calculated by dividing:-

- (x) the aggregate of the initial outstanding balances of the Loans prepaid up to the relevant Calculation Date by
(y) the aggregate of the initial outstanding balances of all Loans in the Portfolio on the Closing Date.

Deferred Consideration released to Originator

Deferred Consideration paid to Originator prior to the date of this Quarterly Report date
Deferred Consideration paid to Originator during the calculation period
Total Deferred Consideration paid to Originator.

£0
£0
£0

Equity Release Funding (No.2) plc

Name of Issuer
Date of Issue

Equity Release Funding (No.2) plc
11-Jun-2002

Moody's Current Rating
S&P Current Rating

A1
Aaa
AAA

A2
Aaa
AAA

Initial Note Balance
Note Principal @ start of period
Note Redemptions @ IPD
Outstanding Note Principal

45,000,000.00	255,000,000.00
44,014,500.00	255,000,000.00
837,000.00	-
43,177,500.00	255,000,000.00

Note Interest Margins
Step Up Dates
Step Up Margins

LIBOR + 0.44%	Fixed Rate (5.88%)
IPD May 2012	N/A
LIBOR + 1.50%	N/A

Interest Payment Cycle
Interest Payment Date
Next Interest Payment Date

Quarterly
26th or Next Business Day
26-Feb-2004

Pool Factor

0.959500